other competitioners; elasticity of demand for India's exports, etc, among other factors.

**Non-Tariff Barrier Affecting Export**

652. DR. D. VENKATESHWAR RAO: Will the Minister of COMMERCE be pleased to state:

(a) the countries with have imposed non-tariff barrier which have hit products' export; and

(b) the remedial measures taken to improve export performance?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIH): (a) and (b) The Government has identified Non-Tariff Barriers imposed by India's Major Trading Partners. These include USA, European Union, Japan, Hong Kong UAE and Saudi Arabia, Russia, Singapure, Bangladesh, Sri Lanka, Thailand, Australia, South Korea, Malaysia, China and Canada. Such barriers include textiles quotas, anti-dumping and counter-vailing duties, strict standards relating to health and environment etc. Most of such protectionist measures are consistant with the relevant GATT/WTO Agreements. Nevertheless, the non-tariff barriers identified by us are taken up bilaterally with our trading partners to ensure that market access of Indian exporter is not unreasonably hindered by these trading partners. In case of any inconsistency or discrimination, India has a right to approach the WTO dispute settlement mechanism for redressal.

**Procurement of Basmati Rice by MMTC**

653. SHRI SANJAY DALMIA: Will the Minister of COMMERCE be pleased to state:

(a) whether the Minerals and Metals Trading Corporation of India Limited has entered into an agreement for procurement of Basmati rice and processing;

(b) if so, the details of the agreement thereof;

(c) whether MMTC has suffered a loss of about four crores in this transaction;

(d) if so, the details thereof and the reasons therefor;

(e) whether Government had instituted any enquiry into this deal and fixed up any responsibility on the officers who signed that agreement; and

(f) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) and (b) Yes, Sir. MMTC entered into an agreement with M/s. K J International for procurement of paddy for Basmati rice and processing it into finished rice for export. A quantity of 3784.45 MT valued at Rs. 3.97 crores was procured. They were required to give 1740.85 MT 'A' grade Superior Basmati rice. Out of this they gave 273 MT of 'A' Grade rice which was sold locally for Rs. 53 lakh. They also informed that they have exported 1000 MT 'A' Grade rice valued at Rs. 1.95 crores to Saudi Arabia.

(c) and (d) The matter has been referred to Arbitration. The quantum of loss, if any, would be known only after the Arbitration proceedings are completd.

(e) and (f) Yes, Sir. An inquiry has been instituted and report awaited.

**Value of goods Exported during the last Six Months**

654. SHRI O.P. KOHLI: Will the Minister of COMMERCE be pleased to state:

(a) the total value of goods exported from the country during the last six months;

(b) whether our exports registered a decline during this period vis-a-vis the corresponding period last year;

(c) if so, the reasons therefor; and

(d) the steps taken/proposed to be taken to augment India's export?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) and (b) As per DGCI&S data the value of goods exported from the country during December 1996 to May 1997 stood at US $ 17393 million, regisering a decline of 2.1% over the corresponding period (December 1995 to May 1996) in the last year.

(c) Export performance is dependent, inter alia, on international factors such as market conditions and tariff and non-tariff barriers to trade, besides policy frame work and procedures, state of domestic infrastructure, specific sectoral problems etc.

(d) Trade promotion is a continuous and sustained process and measures are continuously being taken by the Government to promote trade through policy and promotional measures. For instance, the new Exim Policy for 1997-2002 has considerably simplified the policy and procedures; imports are being gradually liberalised to facilitate availability of raw materials and inputs to the export sector besides widening and modernising the indigenous production base; country-specific initiatives have also been undertaken to promote trade; Export Promotion Industrial Park Scheme has been implemented to support the State Governments in their export promotion effort; an India Brand Equity Fund has been created to create a better image for Indian products abroad; interactive discussions with Export Promotion councils, Commodity Boards and trade and industry are being held to evolve measures to boost exports; interest rate on export credit has been reduced and it has been decided to set up an empowered Export Board to resolve the issues and problems facing exporters in achieving better inter-Ministerial coordination.

**Steps to Improve Export Performance**

655. DR. MANMOHAN SINGH:
DR. Y. LAKSHMI PRASAD:
SHRI K.M. SAIFULLAH:
SHRI O.P. KOHLI:

Will the Minister of COMMERCE be pleased to state:

(a) the export performance in 1995-96 and 1996-97; details of items exported and foreign exchange earned;

(b) the reasons for the short-fall in exports during the last years; and

(c) the measures taken to overcome any shortfall this year and improve export performance?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULI RAMAIAH): (a) The value of exports, as per provisional DGCI&S data for the year 1996-97 was US $ 33106 million as compared to US $ 31797 million achived during 1995-96 which is 4.12% higher than the value of 1995-96. The major foreign exchange earners in the export basket during 1996-97 were, textiles (US $ 7990 million); gems & jewellery (US $ 4744 million); chemicals & related products (US $ 4071 million), engineering goods (US $ 3941 million), ores and minerals (US $ 1146 million); marine products (US $ 1121 million) and agriculture and allied products (US $ 4505 million).

(b) Export performance is dependent, inter alia, on international factors such as market conditions and tariff and non-tariff barriers to trade, besides domestic factors such as policy frame-work and procedures, state of domestic infrastructure, export competitiveness of export products etc. A slow down in exports during 1996-97 is to be viewed in the context of a substantial slow down in world trade at 4% growth during 1996 as compared to 19% growth in 1995, low/negative import growth in India's major trading partners, a paradigm shift in demand for soft goods exported by India, sector-specific issues affecting gem & jewellery, leather sector etc. and infrastructural constrainst.

(c) A number of measures have been taken by the Government to improve export optimism and strengthen the incentive system. The Budget 1997-98 restored the 80 HHC provision in terms of income tax exemption of export profits. The new Exim Policy for 1997-2002 has considerably simplified the policies and procedures and consolidated the gains of previous Exim Policy. Efforts have been made to provide a hassle-free trading environment. Separately, Ministry of Commerce held discussions with the Export Promotion Councils and Commodity Boards regarding promotion measures to achieve higher growth. Separately, meeting with trade and industry were organised by the chambers of commerce and apex organisations like FIEO. Inter-Ministerial discussions were held with Ministry of Finance, Textiles, Surface Transport to address specific